

Pan Asia E-Commerce: Action Research on E-Commerce for Small Artisans and Development Organizations

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1. Introduction

The first of the four broad conclusions in the chapter assessing e-commerce in developing countries in the World Bank World Development Prospectus 2001 states, “Firms in developing countries should enjoy productivity gains and expanded demand with the spread of electronic commerce.” Many would scoff at this especially with the collapse of Internet market values. But keen observers believe that “there is a big difference between believing in the new economy and in believing unrealistic stock prices that were attached to firms in the new economy” (Kirkman and Sachs, 2001). If the new economy brings with it profound beneficial effects, the right question is not whether artisans and development organizations are ready for it but rather what is needed so that they too can share in its benefits. Otherwise, the digital divide will just reinforce the income divide.

This paper documents the effort of Pan Asia Networking, a program initiative of the International Development Research Centre (IDRC), at experimenting with a live Internet laboratory where artisans and development organizations learn the ropes of e-commerce in a learning-by-doing manner. It documents the efforts both from the perspective of Pan Asia Networking and from that of the participating development organizations. Transactions data, however limited, are also examined.

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The report is organized into seven sections. Following the introduction is a short review of some literature on e-commerce among micro, small and medium enterprises (MSMEs). This is followed by a brief overview of the e-commerce situation in Asia with particular attention to MSMEs and developing countries in the region. After a discussion on the methodology, the following two sections explore the experiences from the perspective of Pan Asia Networking and that of its partners. Finally, some concluding comments are presented.

2. E-commerce and Small and Medium Enterprises (SMEs): A Review of Literature

There are two sets of requirements for e-commerce to flourish. Mann et al (2000) pointed out that e-commerce depends on three infrastructure systems namely: (1) communication systems, (2) payment systems, and (3) distribution and delivery system. In addition to all of these, The Sacher Report (OECD 1997b) argued that e-commerce could only flourish if it achieves or approximates the acceptance accorded to over-the-counter transactions. The latter depends on the socioeconomic, cultural and legal environment. It will be clear later that indeed the slow uptake of e-commerce in developing countries, in general, and among MSMEs, in particular, is the result of the confluence of these two sets of factors.

The benefits of e-commerce can be reaped by suppliers/producers, consumers and society in general. Given the objectives of the paper, we focus on the benefits to producers/suppliers.³ There are several ways of classifying the benefits of e-commerce to producers/suppliers. The benefits revolve around six themes: (1) expanded reach; (2) 24 (hours) x 7 (day) presence; (3) potential to eliminate intermediaries; (4) updating

³ Please refer to Orbeta (2000) for a more comprehensive review.

catalogue in real time and potential for personalized offerings; (5) lower transaction costs; and (6) revolutionized customer and supplier relations management, (i.e., order tracking, self-service information retrieval and individualized dialogue). The first two are more obvious while the third has been put in doubt due to the rise of the so-called “infomediaries” – firms providing information sorting services. Lower transaction costs and revolutionized customer and supplier relation management are well established and documented in the review. OECD (2000) pointed out that the current focus of accounting of e-commerce benefits has been placed on the static⁴ benefits. The paper argued that dynamic benefits, in the form of new products, new business models and practices, would far surpass these static benefits.

The studies reviewed in Orbeta (2000) pointed out that, in contrast to the older Electronic Data Interchange (EDI) which had been available only to large firms, the low market entry and transaction costs and wide geographic reach of e-commerce through the Internet makes it available even to MSMEs. Large transaction volumes are no longer necessary to justify the creation of a website, even for firms of modest size.

While the benefits are applicable for all types of firms, what would be the main concerns of MSMEs which Pan Asia E-commerce is trying to serve? A selective survey of recent research shows several patterns. A survey of 34 Australian SMEs, who are using e-commerce, showed that the benefits are related to the size of investments (Kennedy 2001). Gains from efficiency in business operations have a direct relationship with the amount of investment (ie the greater the investment, the greater the gains in business operations), while SMEs benefit more from increased revenues. The study also found that

⁴ Static benefits refers to those derived from existing products and/or procedures.

website set up and maintenance costs are significant hurdles for SMEs to engage in e-commerce. These findings echo those in the PricewaterhouseCoopers-APEC (1999) study on SME e-commerce in the APEC region. The study adds, among others, the lack of trust and confidence in the facility as a major impediment to e-commerce adoption by SMEs. The fears emanate from security, legal and liability issues. As pointed out by the Sacher Report (OECD 1997) the ideal situation is for e-commerce to approximate the trust accorded to over-the-counter transactions. Obviously, this only comes with exposure and hands-on experience with the facility. Several studies (PricewaterhouseCoopers-APEC, 1999; OECD (2000); UNCTAD, 2001; UNCTAD, 2002) identified the lack of awareness and limited internal capabilities of firms as another big barrier. These include limited knowledge on business models, e-commerce technologies and being unconvinced about the benefits. These studies are in consensus in proposing massive awareness programs to counteract these impediments. They have proposed that government should provide a leadership role by using e-commerce in its own operations.

3. E-Commerce Developments In Asia: With Particular Attention to Micro, Small and Medium Enterprises (MSMEs)⁵

In order to provide a geographic context to the Pan Asia E-Commerce initiative, a brief overview of the e-commerce developments in Asia with a focus on MSMEs and developing countries in the region is valuable. Given the requirements for e-commerce to flourish, the e-commerce trends in Asia reflect the state of infrastructure development as well as the socio-economic and legal environment. It is useful to enumerate the main influencing factors of e-commerce development in the region. One, there is high cost of connection relative to per capita incomes. Two, there is low financial sector development

⁵ Orbeta (2000) provides a more comprehensive overview of the developments in e-commerce in Southeast Asia

reflected in low credit card ownership although some argue that this indicates also the preference for cash transaction. In addition, many countries such as Vietnam and Indonesia often impose strict regulations on payments in foreign currency. Three, the logistics capacity is not well known. Finally, face-to-face or personal transactions may be preferred (Orbeta 2000).

Given these considerations, it is clear that while global trends⁶ in e-commerce are replicated in Asia, several features that are unique to the region have emerged. One is the use of the ubiquitous corner store as both pick-up and delivery point. This comes in contrast to the western model of delivery to the household. It is noteworthy that this is happening even in the highly developed Japan where 7-Eleven corner stores are used as payment and pick-up points. Two, there is the proliferation of public access points or Internet cafes. The obvious reason for this is that average per capita incomes are low relative to the cost of connectivity at home. In Mongolia, Internet cafes are even being used as integrated order, payment and pick-up points (Orbeta 2001). In addition, alternative access devices, such as mobile phones, are increasingly becoming important, for instance in the Philippines. Third, in contrast to the western model of payment by credit card, cash on delivery (COD) and bank transfer are accepted modes of payments. In fact one Chinese e-commerce provider said that 96% of his transactions are paid COD and the other 4% are paid using debit cards because these are gifts that obviously cannot be paid by COD⁷. In addition, new ways of payments are emerging. For instance, riding on the popularity of the short messaging system (SMS) in the Philippines, mobile banking has been introduced with services including bills payment and funds-transfer. Finally, e-

⁶ These include the dominance of digital products and B2B over B2C transactions. Please refer to Orbeta (2000) for a detailed discussion of the trends.

⁷ "B2B and E-Commerce: Looking Beyond Harsh Realities, China Business Summit 2001," World Economic Forum (<http://www.weforum.org>.)

commerce serving market niches are unfolding. For instance, websites selling gifts and offering money transfer services, directed at the large number of overseas workers with better purchasing capacities, have emerged in the Philippines⁸ and Vietnam.

Not discounting the fact that there are still transactions being negotiated via email, the business models used can be grouped into two. The first is when an industry association sets up a common website for its members such as the Handicraft Association of Nepal (www.nepalhandicraft.com.np), an NGO helping the group such as Rehab Craft in Cambodia (www.camnet.com.kh/rehabcraft) or a government sponsored website (www.smethai.net for Thailand, www.smeda.org.pk for Pakistan). Another model uses a private application service provider (ASP) to handle the setting up and maintenance of the electronic store for a fee (www.myayala.com or www.divisoria.com in the Philippines, www.tvc.com.vn in Vietnam). The former group usually has only electronic catalogues on their websites while the later includes payment services as well.

In terms of the types products bought and sold via e-commerce, the global trend of transactions being dominated by digitally delivered products such stocks, bill payments, and software are also true in Asia. There are, however, important deviations. One is the popularity of products and services that cater to foreigners except those that are intended for overseas workers. This would include handicrafts for products and tourism for services. This is not difficult to understand because these are the products and services tourists are known to buy. In addition, targeting the foreign market is easy to understand given that is where higher purchasing power can be expected. There are, however, other reasons for focusing on the domestic market. For instance, restrictions on payments

⁸ For example, www.epadala.com.ph.

across borders, such as Vietnam and Indonesia, force sellers to focus on the domestic market. In the case of China, the focus on domestic markets is due to the large size of the internal market, reducing the immediate need for cross-border e-commerce, particularly for MSMEs.

Finally, there is still the B2B aspect that is known to dominate current e-commerce transactions (Orbeta 2000, UNCTAD 2001). Unfortunately, there is not much documentation on the extent of how MSMEs have been connected to the global supply chain. The previous section has identified the main constraints. But as mentioned earlier, the need to connect MSMEs to the global supply chain is critical if we intend to prevent the digital divide from reinforcing the income divide. The existing B2B exchanges such as BayanTrade (www.bayantrade.com) in the Philippines, involved the biggest conglomerates. Bringing the MSMEs to these exchanges continues to be a challenge.

4. Methodology

Three main sources of data used in this report were: interviews with the people behind the effort in areas such as the reason behind the initiative, their experiences in setting up and managing the e-commerce platform, and future plans; an e-mailed survey asking similar questions conducted among cooperators⁹; and the analysis of transactions data captured by the system.

5. What Pan-Asia E-Commerce Is Doing

This part of the report draws heavily from the information gathered via interviews with and documents provided by the people behind the Pan Asia E-commerce.

⁹ Annex A provides the questionnaire used in the survey

Pan Asia E-commerce is one of the activities carried by the Pan Asia Collaboratory, a Pan Asia Networking project. PAN is a programme initiative of IDRC, focusing on finding applications of ICT, appropriate for solving development problems. The intended clients are non-profit institutions and national/regional research and development agencies with limited existing capacities with a desire to use ICT in their development work. Pan Asia Networking has been involved in the following types of activities: (a) establishing connectivity/ public sector ISPs; (b) enabling development and research into (use of) Web-based applications; (c) establishing Telecenters in rural areas; (d) funding R & D into Internet technologies, systems and policies; (e) experimenting with focused applications – e.g. distance education. Thus, it is only natural that e-commerce emerges as one of the applications.

Pan Asia E-Commerce provides a platform for selling products classified under five categories, namely: Publications, Videotapes, CD-ROMs, Photos, and Handicrafts¹⁰. This effort of designing a live experimentation and training Internet laboratory to provide hands-on experience in ICT tools and media, particularly e-commerce technologies, to developing country organizations, illustrates the applied research aspect of the Pan Asia Networking programme. While learning the ropes of e-commerce technologies, these organizations experience first hand, the demands of an expanded market of their “creative” products.

As of February 2002, 25 partners from 13 countries in Asia have set up e-stores. These countries include Bangladesh, China, India, Indonesia, Lao PDR, Malaysia, Mongolia,

¹⁰ <http://www.panasia.org.sg/e-commerce/>.

Nepal, Pakistan, Philippines, Singapore and Thailand. Several more organizations have expressed interest in putting up an e-store but the agreements have not yet been finalized. These organizations usually are cooperating with IDRC in other endeavors.

As an inaugural activity, a regional E-Commerce Training Workshop was held in August 1999 participated in by 30 partner institutions from developing countries of Asia. The workshop was designed to train the partners in setting up and maintaining shops from their remote sites. Subsequently, a Web-CT-based electronic classroom was developed for continuous consultations, learning and discussion. The latter was a necessary vehicle to discuss shared, as well as individual problems. In addition, it served as a consensual channel for contributing opinions on the design of the ecommerce mall, including the product categories' descriptive attributes encountered by PAN and its partners in the implementation phase of this shared live mall.

Motivations Behind the Initiative

What prompted Pan Asia Networking to initiate this effort? Early on, Pan Asia realized that the very limited use of ICTs, particularly e-commerce, by development organizations is due to the following reasons: (a) lack of e-commerce infrastructure and policy in most countries; (b) lack of “development-oriented” e-commerce sites; (c) cost and affordability; (d) difficulty in obtaining merchant accounts; (e) lack of appropriate business knowledge and technical skills; and (f) absence of peer group to share experiences. To address these problems, Pan Asia E-commerce built a platform to experiment on the use of e-commerce tools and technologies and at the same time-share the experience among like-minded institutions. The effort addresses a number of critical issues. The issues concern addressing the lack of infrastructure; sharing of experiences to build appropriate business and technical skills among client development organizations

with minimal experience in e-commerce; and creating a common shop front as an effective cost-saving strategy. The Pan Asia E-commerce mall paid one-shop fee to the e-commerce provider while possessing the ability to infinitely increase its number of partners/suppliers at no additional cost. At the same time, each of these partners also enjoyed the facility of its own unique shop front and shop brand name within the mall. Such features also differentiate Pan Asia E-commerce from other e-malls. It is not profit-driven because the key objective is not just to generate revenue, but also to build capacity. It puts a premium on the learning-by-doing aspect and the sharing of the experiences among like-minded institutions.

Thus, what Pan Asia Networking has provided is an e-commerce platform, which MSMEs usually find too costly to set up and maintain by themselves. The fear of the unknown always comes with new technology, but this fear is slowly being alleviated by the hands-on experimentation conducted together with similar institutions.

The Business Model

The Pan Asia business model involves underwriting the set up of the e-commerce platform that includes hardware (servers connected 24x7 to the internet) and software (e-commerce management modules from customer ordering, payments system, and e-store management). The partners/suppliers are notified by e-mail of orders and they take care of delivering goods to the end customers. For the service, Pan Asia Networking collects 20% of sales. Incidentally, the Pan Asia E-commerce mall also collects a token joining fee of 1 USD payable when the first sale payment to the partner/supplier is made. This e-commerce business model was a natural outgrowth of the Pan Asia Collaboratory's broader activities and made use of its existing connectivity and technical human and infrastructural support.—

The model is very similar to other e-retailers such as Amazon, except that Pan Asia Networking mall does not warehouse products for sale. It merely accepts orders and payments from customers. Payment settlement between the suppliers and IDRC are done in batches periodically.

Features of the Pan Asia E-Mall

Products are offered by development organizations from different countries. The shops are set up and managed remotely by the partners/suppliers. The e-commerce servers, payments, and accounting systems are centrally managed. Order fulfillment is decentralized (i.e., suppliers deliver the products directly to customers).

In terms of security, the servers have Verisign certification. Payment transactions are done via lines with SSL (Secure Sockets Layer) encryption. Credit card validations are done in real-time through a Singapore gateway. Credit card information is not retained by the system.

There are two main modules in the e-Mall. One is the Mail Order System (MOS), which handles online ordering and payment for most products. Payment by credit card and bank draft is allowed. The other is the Virtual Bookshelf System (VBS), which handles electronic publications. In the VBS module only card payments are accepted. Two other modules have been developed and functional, namely, the Video-On-Demand and Grameen Check for textiles.

Future Plans

What are the future plans for the subprogram? Consistent with IDRC's mission of building research capacity in the Developing World, the Pan Asia e-commerce mall is being rebuilt at the ASEAN Foundation in Jakarta where the Pan Asia Collaboratory is being relocated. The program will continue to be supported by IDRC's Pan Asia Networking and by the ASEAN Foundation and the e-commerce mall continues to invite more participants.

6. What has been the performance

Experiences of the Partners

The cooperators were asked about: (i) their considerations for participation; (ii) the experience in setting-up and managing the e-store; (iii) what they have learned from the experience; and (iv) their future plans. The survey instrument is provided in Annex A. Twenty out of the twenty-five cooperators who have set up an e-store by February 2002 responded to a survey. Nine have set up stores in 1999; five in 2000; four in 2001 and 2 in 2002. As indicated in their responses, most of them have previous collaboration with IDRC in other activities.

Considerations for participation

Most of the collaborators participated because they wanted to try using e-commerce in a cost-efficient manner. Another major reason given for participation by the collaborators is the institutional trust that was developed with IDRC in previous collaborative efforts. Finally, another popular reason mentioned is the opportunity to network with other development organizations.

Products included in the e-store

The e-store offers as low as 5% to as high as 100% products partners produce. Their major considerations in including a product in the e-store include: quality, shipment, production capacity, and cost and benefit.

Setup and management of the e-store

The cooperators were asked about their experiences in the set up and management of their e-stores. The majority found the process to be relatively easy. In addition, they found it very easy to add and remove products. They also appreciated the fact that the e-store can be managed remotely. Only one respondent observed that it was much more complicated to maintain than a conventional website offering products.

Most of the complaints are related to delivery of the product. One interesting story is the actual realization that international delivery requires special packaging otherwise the product might get damaged in transit. While these are well appreciated by long-time exporters, the cooperators being members of a development organization may have no prior experience on this aspect of the transactions. Another common and related concern is the freight/postage cost which oftentimes can be too high relative to the value of the product being ordered. The cooperators also realized the importance of timely delivery especially for products that are purchased as gifts for special occasions.

On the transactions

What do partners say about the transactions? The survey revealed that most of the participants are a bit disappointed with the volume of transactions. Only one, whose products have been doing well in the conventional outlet, has had a considerable number

of transactions in the e-store. Of course, several have just set up their e-stores and are not expecting transactions right away. But one cooperator recommended that some promotional efforts have to be done to improve transactions levels.

Most of the collaborators do not have conventional stores. It is therefore not possible to compare the performance of the e-store with the conventional store. For those who have conventional stores, the common appreciation is that sales at the e-store are low compared to the conventional outlet. An estimate provided by a cooperator having a conventional store puts the sales in the e-store at about 10-15% of total sales.

Learning Points

Among the positive highlights are the easy setup and management of the e-store; the opportunities for networking with other development organizations; and the learning-by-doing aspect of the cooperation.

The negative experiences include the realities of global delivery and freight / postage cost problems as mentioned earlier; the importance of timely delivery particularly for items that have been purchased as gifts for special occasions; and the realization of the need for proper packaging if the products are to reach the customer in good condition.

In spite of all of the negative experiences, the cooperators are unanimous in saying that the experience is worth the effort. The hands-on training on a new and alternative way of selling products was the source of this common appreciation.

Pondering the main incentives for participation, many opined that they could not have ventured into experimenting with this new facility were it for their prior knowledge of IDRC activities, particularly in helping development organizations. Their trust in the institution was key to their decision to participate. Another consideration is being introduced into e-commerce and having an additional outlet at minimal cost.

Future Plans

The general consensus regarding future plans is that the cooperators will continue the effort and expand the products that are offered in the e-store. In fact, with the exception of one respondent, nobody has considered another e-commerce provider. It seems that they are not significantly deterred by the low number of transactions at present in the e-store as well as the realistic demands of global delivery. These may have been considered these as start-up problems.

When asked about the possibility of devolving the effort eventually to some other organization, only a few opined that the effort would not survive without Pan Asia Networking's support. Those who found this eventuality reasonable have recommended some non-profit organization with preferably some research orientation to handle the operation.

Finally, they have recommended the expansion of the number of participants and the need for a concerted promotion plan to improve the volume of transactions.

Transactions Data

Among the important indicators of performance is transactions data, which will be examined from September 1999 to May 2001 as recorded in a database. For this period, there were 176 transactions recorded with a total value of USD 8,790.50. The number of transactions per month peaked at 23 in October 2000. The number of transactions has stabilized at lower levels since this date (Table 1). Another notable pattern is that the geographic distribution of orders follows the well-known pattern in e-commerce transaction volume – it is dominated by developed country customers (Table 2), particularly the United States (37%). This is documented well in OECD (1999) and Orbeta (2000). The reasons behind this pattern are also explained well in OECD (1999). Essentially, it was argued that besides high purchasing power, developed countries have better infrastructure to facilitate e-commerce transactions. In fact, UNCTAD (2001) noted that many of developing country product websites, (including Pan Asia E-Mall) are hosted in developed countries to take advantage of this fact. Finally, another pattern is the dominance (96%) of publications in the transactions with arts and crafts and videos accounting of less than 2% each and CDs with less than 1% (Table 3). It might be that publications are more homogenous products compared to arts and crafts, hence, the decision to buy online maybe more logical.

Most of the cooperators do not have conventional stores so it is not possible to have a comparison with the e-store. It is informative, however, that the few that do have conventional outlets, mentioned that the transactions at the e-store are relatively small, one puts it between 10-15% of total sales. In appreciating the volume of transactions, several considerations need to be factored in. The first is the newness of the e-commerce concept. Secondly, the relatively small size of the Pan Asia E-mall compared to other conventional outlets must be considered. Thirdly, the effort was implemented in a

learning-by-doing mode, which is more conducive to an initial flat learning curve. Finally, most of the products being offered for sale are highly specialized and not very trendy, leading to lower transaction volumes. This is why the benchmark against which transaction volumes in the e-store should be compared with should be that of the conventional store. For one, as emphasized in Orbeta (2000), if the product does not sell in conventional stores, it would be assuming too much that it would sell in large volumes online. In fact, a Pan Asia partner has validated this observation, where the transactions in both the e-store and the conventional store are relatively high.

7. Concluding Comments

The introduction of e-commerce as a subprogram of Pan Asia is a logical progression from its mandate. Given its involvement in the application of ICT to development problems, the e-commerce application was a natural development. The primary reason for this is that it will add value to their efforts at improving connectivity and use of ICT by development organizations. It is worth noting that when Pan Asia Networking introduced the e-commerce initiative in 1999, many of the countries where the partners are operating, were still worried about the first tier problem of getting connected rather than doing e-commerce over the Internet. E-commerce can add value to the Internet infrastructure that Pan Asia Networking has helped establish in many areas, be it Internet connection or the better utilization of personal computers (PCs). As Dr. Enkhbat of Datacom in Mongolia emphasized, to make Internet connection of remote areas sustainable, it is necessary that people should be able to save and/or earn money through it (Orbeta 2001). E-commerce provides such an opportunity.

In appreciating the performance of this initiative through transaction volumes, one must realize that e-commerce, for most products, merely facilitates the execution of the exchange transaction. Until now, there were few new products that accepted e-commerce as their natural home, e.g. digitized text, voice and images. In OECD (2000) classification, e-commerce today is still dominated by static benefits. This is particularly true in the case of Pan Asia E-commerce. As emphasized in Orbeta (2000), if one cannot sell over-the-counter, one cannot hope to sell electronically. It is not surprising; therefore, that one collaborator was doing well in the e-Mall because their products (publications) are also doing well in the conventional outlet. It must be noted that most of the products that are being offered for sale in Pan Asia e-Mall are highly specialized; hence, the turnover is expected to be slow even for over-the-counter sales. Statistics have shown that worldwide e-commerce transactions favour goods that can delivered electronically, e.g. stocks trading, bills-payment, software, digitized entertainment (OECD, 1999). This is because electronic delivery mimics over-the-counter transaction, hence, minimizes uncertainties in the transaction.

E-commerce needs to pass several hurdles in trying to approximate over-the-counter transactions. The key difference is that the exchange of values in over-the-counter transactions is simultaneous, i.e., one gets the product as soon as he pays for it. In e-commerce, on the other hand, the transaction goes through several layers starting with ordering, payment and delivery with each layer introducing some degree of uncertainty. In many of the areas where the collaborators of Pan Asia e-commerce are operating, the rules governing these transactions may not yet be well established. Knowingly or unknowingly, IDRC's Pan Asia Networking was in fact is providing some sort of a guarantee over many aspects of the transaction, particularly the authenticity of the

supplier. In the Asian context, Pan Asia acted as go-between two strangers – the supplier in one hand and the customer in the other.

The key service Pan Asia E-commerce is providing is the opening of market opportunities for the products of development organizations. Goods, which otherwise would have limited market outlets due to either their nature and/or to the limited marketing capacities of their suppliers, are being offered worldwide. There is no telling whether the products would find their buyers. This is a risk every producer has to face. If transactions are to be improved, careful selection of products need to be done. The collaborators also mentioned the need for more concerted promotional activities. Over and above this, another benefit of electronic communications is that it facilitates greater interaction between producers and consumers. It is therefore expected that more customization of products to suit consumer preferences will be happening as e-commerce continue to flourish. This may prove to be useful for Pan Asia E-commerce given that many of the products being offered for sale are “creative” products.

Alternative uses and designs of the products can be introduced by would-be customers and discussed directly with suppliers. Thus, enhancing the interaction between Pan Asia e-commerce suppliers and consumers will go a long way in improving marketability of products. This is the first step in reaping what OECD (2000) calls dynamic benefits of e-commerce.

The likelihood that the effort will be sustainable depends on the marketability of the products being sold. In addition, it is also well known that the acceptance of e-commerce is slow due to a variety of reasons. It must be noted that many of the participating

organizations emphasized that their participation was largely based on the trust they have with IDRC developed through other activities. It is not unthinkable that these organizations may find it more beneficial to work with other e-commerce providers in their own countries than some regional organization they hardly know. These need to be considered in scheduling the devolution of the effort into an independent organization.

Finally, a B2B component can be a promising area considering that it is well-known that that the greater bulk of transactions utilizing electronic means are between businesses, e.g., producers and input providers (OECD, 1999; UCNTAD, 2001). It must be realized, however, that B2B exchanges are usually between input suppliers and final product producers dealing in large volumes. It must be studied whether the current set of Pan Asia Networking's NGO and public sector development cooperators are the right players to enter into B2B exchanges. Needless to say, should this angle be pursued, careful selection of cooperators and their products must be conducted.

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Annex A

Pan Asia Development e-Commerce

Process Documentation Instrument

Purpose of the instrument

A researcher was commissioned by Pan Asia to document, draw lessons from, and put its e-commerce initiative in the context of the e-commerce developments in Asia. A published research report is expected to come out of this activity.

This instrument is one of the data gathering instruments designed to help capture all aspects of the Pan Asia e-commerce initiative. This is intended to capture information that will complement the web transactions and financial statistics.

We are interested in all aspects of the experience, so would appreciate candid answers/comments.

Thank very much for your cooperation.

SETUP

How did you come to know the IDRC Pan Asia e-commerce initiative?

When did you actually participate?

What were your major considerations in deciding to participate?

E-STORE

Products

What products are on the website?

Does it include all or only a portion of your products? If a portion, what is the approximate proportion in terms of number and in terms of value? Which products are included? What were your major considerations on including a product?

Experience

Setup: What were the highlights of your e-store setup experience? How does it compare with a setting up a conventional store?

Day-to-day management: What were the highlights in your day-to-day e-store management experience? How does it compare with managing a conventional store?

Transactions

Are you satisfied with the transaction volumes? If yes, why? If not, why not?

If you have a conventional outlet, can you compare the transaction volumes in the e-store and the conventional store?

LEARNING POINTS

What are the highlights, both positive and negative, of your e-commerce experience that you want to share with those who are considering to participate?

Is it worth it? and why?

What were your main considerations for choosing the Pan Asia e-store?

FUTURE PLANS

What are your future e-commerce plans?

Do you currently have another e-commerce service provider? If yes, why? If no, why not?

Are you considering other e-commerce providers? If yes, why? If no, why not?

If IDRC devolves the further development and management of effort into a independent organization, what's the organization form would you prefer?

OTHER COMMENTS

Please provide us other comments that will help us document better your e-commerce experience under the Pan Asia development e-commerce initiative.